

Health and pension liabilities for steel workers who lost their jobs or who retired and lost their jobs in some cases as a result of the massive industry downsizing which occurred especially during the 1980s. Legacy costs have put the industry overall at a competitive disadvantage versus foreign competitors whose governments assume these same costs and continue to assume these same costs through socialized medical systems. Congress, the administration, and the industry must continue to work together to address these costs which serve as a critical barrier to industry consolidation. What company is going to buy out and fold into another company if huge legacy costs come with it?

While this is a time of enormous crisis for the industry, it is also a time of unique opportunity. The government often played a part in the initial negotiation of the contracts that build up legacy costs, and so the government should be willing to play a constructive role today in addressing this problem. This is a chance to facilitate important restructuring, allow for significant capacity reduction, and help create an industry poised to compete over the long run with any competitor in the world.

The administration needs to take the lead in developing a plan to address these critical legacy costs which are preventing the industry from restructuring. As chairman of the steel caucus, I think I can fairly say that on a bipartisan basis, we are prepared to work with this administration to try to address that problem.

In conclusion, we have reached a pivotal point in stabilizing the American steel industry and ensuring good-paying jobs for its workers. The Bush administration took the monumental first step, standing up for steel, by initiating a section 201 investigation, which is a critical first step in its overall steel policy. Now, I urge the administration to enact tough tariffs that will truly provide relief for a besieged industry and its struggling employees.

Many of our manufacturers face growing and cumulative competitive disadvantages in the international market. The plight of the steel industry is grim, but both Congress and the administration need to work together and work hard on a bipartisan basis to give employers the tools that they need to be competitive in the global market. Unfortunately, nothing will solve, quote unquote, today's steel crisis, because the damage is already done. Instead, we must seek to apply the lessons learned in today's crisis, put reforms into place so that nothing like this can ever happen again with steel or any other part of our manufacturing base.

Mr. Speaker, I look forward to working with the administration. I hope the President will look at this issue; and I challenge the administration to join us, come up with a creative policy for making this industry viable in the 21st century.

Mr. EHRlich. Mr. Speaker, I want to commend my Steel Caucus colleagues, especially PHIL ENGLISH and PETE VISCLOSKEY, for their efforts to resolve the steel import crisis. This is an issue of great importance to me, my constituents, and the domestic steel industry.

On June 5, 2001, domestic steel producers finally received some good news in their struggle to remain a viable, competitive industry. On that day, President George W. Bush announced a comprehensive initiative to resolve the steel crisis. As part of this important initiative, President Bush directed USTR Representative Bob Zoellick to initiate an investigation under Section 201 of the Trade Act of 1974 regarding the impact of steel imports on the U.S. steel industry.

After conducting an extensive investigation, the International Trade Commission (ITC) confirmed what I and many others have been observing for years: illegal steel imports have caused substantial injury to the American steel industry. Now that the ITC has made its recommendations (most by a unanimous vote), President Bush must decide by March 6, 2002, on the appropriate remedies for our domestic industry.

As a free trader who recently voted for Trade Promotion Authority, I believe the steel crisis provides President Bush with a unique opportunity to save an important American industry, and to put the world on notice that free trade with America does not confer the right to violate U.S. trade laws with impunity. Further, President Bush's enormous credibility and free trade credentials make him the only person capable of resolving the steel import crisis. Accordingly, I have strongly urged President Bush to impose appropriately high tariffs.

In addition to illegal steel imports, the domestic industry must also address legacy costs—the health care obligations of steel-worker retirees.

Mr. Speaker, overwhelming retiree health care costs are a result of the massive layoffs that occurred during the 1970s and 1980s. During this time, labor accepted a series of downsizing agreements in exchange for commitments on health care for retirees. In addition, technological advances, which have played a part in making the U.S. steel industry more efficient, have also served to diminish the workforce. Accordingly, more steel is produced today than during World War II, with only 10 percent of the labor pool.

Today, integrated steel producers in the U.S. are at a competitive disadvantage against foreign manufacturers whose governments subsidize health care as well as other elements of their business plans. Equally important is the fact that legacy costs pose a major impediment to the consolidation and restructuring needed for our domestic steel industry to survive.

In sum, under the current financial situation, our domestic steel industry cannot remain competitive in the global market while sustaining its health care commitments. Hopefully, the International Trade Commission's (ITC) recent finding that foreign steel has been illegally imported into America and the expected imposition of high tariffs will provide a foundation for the ultimate resolution of this legacy cost issue.

Mr. Speaker, illegal foreign trade has helped drive 31 American steel companies into bankruptcy causing 16 of them to shut down, and eliminating more than 46,000 jobs. Now more

than ever, I urge my colleagues to stand up for the steel industry.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3090. An act to provide tax incentives for economic recovery.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PAYNE (at the request of Mr. GEPHARDT) for today on account of a death in the family.

Mrs. ROUKEMA (at the request of Mr. ARMEY) for today on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. OWENS) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

Mr. GEORGE MILLER of California, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

(The following Members (at the request of Mr. FOLEY) to revise and extend their remarks and include extraneous material:)

Mr. FOLEY, for 5 minutes, today.

ADJOURNMENT

Mr. ENGLISH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore (Mr. CANTOR). Pursuant to the provisions of Senate Concurrent Resolution 97 of the 107th Congress, the House stands adjourned until 2 p.m., Tuesday, February 26, 2002.

Thereupon (at 4 o'clock and 6 minutes p.m.), pursuant to Senate Concurrent Resolution 97, the House adjourned until Tuesday, February 26, 2002 at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5519. A letter from the Director, Office of Regulations Management, Department of Veterans' Affairs, transmitting the Department's final rule—Interest in Rates Payable Under the Montgomery GI Bill—Selected Reserve (RIN: 2900-AK99) received February 12, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

5520. A letter from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting the Department's final rule—Indirect Food Additives: Paper and Paperboard